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The cost of pitching new business soars

Recession-plagued agencies are caught in a vicious circle as they chase accounts

An Advertising Age roundup

For advertising agencies, the sober reality of these recessionary times is that the new-business stakes have been raised higher than ever.

Account reviews have become less personal, more time-consuming, more demanding and more expensive—especially for the losers. And the pressure doesn't take a holiday.

Consider the seven agencies pitching the Mercedes-Benz of North America account.

If their strategy presentations this week go well, they may be named finalists in the review for the $100 million account. But that also means a second round of presentations—possibly before New Year's Day. *That* means working up to or on Christmas.

The likely price tag: anywhere from $100,000 to $200,000 each, without a creative presentation. Mercedes said it would give each finalist $60,000 to cover expenses.

The level of new-business activity at some shops may never pay for itself, given changes in agency compensation, said Guy Day, a founder of Chiat/Day/Mojo and current vice chairman of McElligott Wright Morrison White, Minneapolis.

"The real cost of pitching, using the new math of operating an agency, is fairly sobering," he said.

A midsize agency chasing a $10 million account is unlikely to recoup presenta-

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Hasbro, Mattel key early upfront

Buys come after NBC exits Sat. 'toons

By Joe Mandese

NBC's decision to pull out of the children's animated TV market has sparked the earliest upfront market ever.

Two major toy companies, Hasbro and Mattel, have cut expensive 1992-93 kids TV deals with several cable networks, and other advertisers to children are discussing upfront buys with Fox Broadcasting Co.

The moves were sparked by NBC's decision to replace its 3 hours of Saturday morning animated shows with news and information programming.

The unusual advanced sales activity has been limited to cable TV and Fox. The Big 3 TV networks haven't begun discussing potential deals for the '92 fall season; their upfront sales normally come in spring.

Hasbro's agency is Griffin Bacal, New York, and Mattel is split between Foote, Cone & Belding and Ogilvy & Mather.

The Fox talks were initiated by advertisers concerned that NBC's pullout, as well as recent declines in overall kids TV viewing levels, will significantly reduce the supply of rating points available to reach kids during the 1992-93 TV season, driving prices for kids shows up to record levels.

If the early cable deals are an indication, that may indeed be the case.

For example, Hasbro and Mattel paid twice as much as previous years in the new deal with Turner Broadcasting System's TBS and TNT cable networks, said a Turner source. Turner's cost per thousand for kids 2 to 11 years old increased to a range of $5 to $7 from a 1991-92 average of about $3, the source said.

However, a buyer involved in one of the Turner deals called those estimates "ludicrous," noting that the increase was only in the "15% to 25% range."

Even so, the early cable deals suggest

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Sears in review? Talks with shops fuel O&M rumors

By Kate Fitzgerald

CHICAGO—Sears, Roebuck & Co.'s meetings with other agencies have recently rekindled talk that its relationship with core agency Ogilvy & Mather is in trouble.

Sears officials last week gave O&M a vote of confidence, denying that agencies including DDB Needham Worldwide and Leo Burnett USA, both of which handle Sears units,

■ P&G mulls media buying consolidation—Page 29.

are part of any review.

Sources say the retailer may be shopping for new advertising ideas for some of its store-within-a-store concepts.

Speculation about an agency change has persisted throughout the year as Sears' monthly sales results have been generally lackluster, in contrast to its hefty Merchandise Group ad budget, estimated at around $250 million to $300 million.

A retail advertising budget of that size in the current recessionary environment seems to be a constant source of attraction to agencies nationwide, several of which have

(Continued on Page 30)

Infiniti drives back to edge

By Cleveland Horton

After months of running what some have called cookie-cutter advertising, Infiniti has decided to return to risky business.

Although the new campaign, scheduled to break Dec. 23, doesn't re-create the controversial rocks and trees that Nissan Motor Corp. USA used to launch the division in late 1989, it's "out on the edge a little bit," said Bob Paske, Infiniti general marketing manager.

"It's a little risky," he said. "But it will not be offensive to people."

While careful not to offend, as some of the earlier advertising did, the new campaign tries to promote the personality of the cars, the company and its customers.

The tone of the ads is designed to appeal to the self-assured individual not seeking peer approval. In fact, the ads poke fun at conformists.

One spread for the flagship Q45 sedan throws down the gauntlet with the headline: "Defy the Joneses."

The copy reinforces the stand-apart appeal of the car: "You aren't your neighbor. And you don't want to be." It ends with: "The Infiniti Q45. It's not the most common choice. But then, how common were you trying to be?"

Sources say the TV spots borrow a technique from the hit movie "Goodfellas," in which the action on screen is narrated off-screen, as if to a friend.

The commercials will focus on the total enjoyment of owning an Infiniti and compare it with the cherished feel-

(Continued on Page 30)

Infiniti cops an attitude with its newest campaign in an effort to reach the self-confident luxury car buyers.

LAST MINUTE NEWS

Buyout forges No. 1 promo shop

ELMSFORD, N.Y.—Sims Freeman O'Brien, a division of Omnicom Group, New York, acquired Alcone Promotion, Irvine, Calif., to create Alcone Sims O'Brien, which claims to be the largest sales promotion agency in the U.S. with 1991 income of more than $50 million.

Ammirati wins Compaq

HOUSTON—Compaq Computer last Friday moved its $35 million North American ad account to Ammirati & Puris, New York, from Ogilvy & Mather. The switch deals yet another blow to O&M, whose Houston office has handled Compaq since the company was founded in 1982. Staff reductions are likely at O&M.

Clorox makes label changes

OAKLAND, Calif.—Clorox Co., threatened with product seizure of its Take Heart salad dressing by the Food & Drug Administration (AA, Dec. 2), agreed to drop a heart symbol, "Heart Healthy" and "Fat Free" from the label. But Clorox has refused to scrap the popular brand's Take Heart name, which the FDA says is an implied health claim. The agency has given Clorox till mid-January to respond to its latest request to change the name.

Good news for magazines

NEW YORK—Consumer magazines

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INSIDE

Truth or fiction: Most people think ads are unbelievable. **Page 4.**

Kudos: Three leaders join Hall of Fame. **Page 12.**

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NEWS SUMMARY

■ **Hasbro and Mattel** have cut expensive 1992-93 kids TV deals with several cable networks following NBC's decision to stop running Saturday morning cartoons. **1**

■ **Infiniti's** new ad campaign, breaking next week, defines its luxury cars as the uncommon choice. **1**

■ **New-business pitches** by agencies are becoming more time-consuming and more expensive as recessionary pressures change the nature of these presentations. **1**

■ **Media forecasts** for 1992 at the PaineWebber media conference last week were mostly glum. **3**

■ **Political advertising** in the presidential election next year will be the most vicious ever, political consultants say. . **3**

■ **Corporate magazines** from major marketers, some accepting outside advertising, are growing in number. **3**

■ **Camel advertising** featuring the Old Joe cartoon character was attacked in studies in the *Journal of the American Medical Association* for targeting children. **3**

■ **Fox Broadcasting** continues to break the rules by counterprogramming during the Super Bowl halftime telecast on CBS. The live special is sponsored by Doritos. **4**

■ **Budweiser** says its new non-sexist TV spots are slowly winning approval from distributors. **4**

■ **Henkel** reassigned the accounts it took from Eurocom; DDB Needham got the major share. **4**

■ **Believability** of advertising by consumers is very low, according to a survey by Video Storyboard Tests. **4**

■ **Advertising Hall of Fame** inductees are Richard Christian, a founder of Burson-Marsteller; the late Neil Borden, Harvard advertising professor; and the late Theodore Repplier, first president of the Advertising Council. **12**

■ **Bozell** has a new media planning process to facilitate integrated marketing, categorizing media as "relationship media," "preference media" and "behavior media." **12**

■ **Thomas Monaghan,** founder of Domino's Pizza, discusses his corporate goals and industry challenges as he resumes active control of the company. **13**

■ **In-store media** growth is expected in mass-merchandise outlets as the discounters adopt some of the merchandising activities of supermarkets. **23**

■ **Wal-Mart** is setting higher standards for private-label marketing as it introduces Sam's American Choice cola, cookies and fruit drinks. More products are expected. **26**

■ **Dollar retail stores** are a fast-growing trend, with the Everything's $1.00 chain being one of the hottest newcomers, offering odd lots, closeouts and factory overruns. . **26**

■ **James Dowling** was replaced as president-ceo of Burson-Marsteller by Larry Snoddon, the second major public relations management shake-up in recent months. **26**

■ **Grey Advertising** named media and marketing consultant Steve Greenberger as VP-director of print media. **28**

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Where marketers advertised in 1991

Advertising on cable and syndicated TV showed the largest gains.

Medium	Dollars in billions	% chg over '90
Network TV	$8.92	−5.0
Spot TV	$7.28	−6.5
Cable TV	$1.53	+10.0
Syndication TV	$1.83	+15.0
Radio (network & spot)	$2.08	−2.0
Magazines	$6.53	−4.0
National newspapers	$3.87	0.0
Direct mail	$24.31	+4.0
Yellow Pages	$1.18	+4.0
Other national media	$15.19	−1.0
Total national media	**$72.72**	**−0.1**

Source: McCann-Erickson Worldwide

Media malaise to persist

TV awaits Olympics; magazines hike subscriptions

By Scott Donaton and Joe Mandese

NEW YORK—Broadcasters hope the impact of the Olympics and elections will spark a recovery in ad spending next year, but publishers, anticipating a continuing decline in advertising, are asking readers to pick up more of the tab.

That was the message of media companies appearing at the annual PaineWebber media conference last week.

Not surprisingly, 1991 was fairly gloomy for most media companies.

Bob Coen, senior VP-director of forecasting at McCann-Erickson Worldwide, revised his overall U.S. ad spending projection for 1991 largely because of deeper than expected downturns in some media.

He predicted local newspaper ad revenues will fall 6% to $26.7 billion, network TV will drop 5% to $8.9 billion and magazines will fall 4% to $6.5 billion.

"It will not be a return to the good old days."

Mr. Coen said overall 1991 ad spending would fall 1.5% to $126.7 billion compared to 1990, the worst decline since World War II. But he was more optimistic for 1992, predicting total ad spending would increase 6.2% to $134.6 billion.

All national broadcast media, both radio and TV, will rise 7.8% in 1992 to $23.3 billion, he said, attributing the increase largely to the impact the Olympics/election year will have on stimulating the economy.

National print will rise 5% to $10.9 billion in 1992, he predicted.

"I think we will have bigger and better gains in the national media, particularly in broadcast," Mr. Coen said.

Locally, he predicted newspaper ad spending will climb 6.5% to $28.4 billion and broadcast will rise 5.7% to $15.4 billion.

Others were even gloomier in their predictions for spending in 1992.

Jack Myers, president of Myers Market-

(Continued on Page 32)

Down 'n' dirty politics

Experts say '92 campaign ads could be vilest yet

By Steven W. Colford

Political advertising experts—led by Republican consultant Roger Ailes—believe the 1992 presidential election will feature the most vicious ads in U.S. political history.

These experts contend "attack" advertising increases amid economic problems, which are making President Bush vulnerable. Such a media assault could force the president into a defensive, counterattack campaign, they believe.

"The Democrats are all lightweights with no track records and with no world view. They will do one thing—savage George Bush," Mr. Ailes told *Advertising Age* last week. "It will be the most vicious ad campaign in the history of American politics."

Mr. Ailes led the '88 Bush media team but won't be part of the '92 effort.

Widely regarded as a master of the political "attack" commercial, Mr. Ailes predicted the Democrats' ads will zero in on President Bush's domestic agenda, especially if the economic doldrums linger deep into 1992.

Sharing Mr. Ailes' view was Robert Squier, the Democratic political consultant, who believes the memory of 1988's presidential defeat still looms in the minds of Democrats.

POLITICS 92

"In 1988, the paid media was first, attacking Michael Dukakis, followed by George Bush attacking Michael Dukakis," Mr. Squier said. "Now, payback time has finally arrived because the Democrats think they never got their rebuttal time in 1988."

1992 could be a watershed year for negative political ads, said Kathleen Jamieson, dean of the Annenberg School for Communications, University of Pennsylvania, and a leading authority on U.S. politics and political media.

"The circumstances certainly are there for that to happen, with the president seen as responsible for a national economy in serious trouble," she said.

Republican attack ads will be the roughest, said John Sasso, Michael Dukakis' 1988 campaign manager.

"If I were the Bush administration, I guess I'd attack the opposition because there is no record to campaign on," said Mr. Sasso, now president of Advanced Strategies, a consultancy.

But it's risky for a Democrat with a markedly inferior recognition factor to take on the president with ads that merely attack, said Democratic consultant Mark Melman, of Melman-Lazarus, a polling company.

"You want people to know more about you first, state your case," he said. "If George Bush was at 65 or 70 points in the popularity polls, then maybe you'd try to tear him down."

President Bush needs Mr. Ailes and will have to call on him eventually, said Cathy Farrell, a former business partner of Mr. Ailes at Farrell Media, a media buying company that worked for the '88 GOP presidential team. □

New studies in the *Journal of the American Medical Association* say Camel's "Smooth character" leads kids to smoke.

'JAMA' lights new fire under Camel's ads

By Judann Dagnoli

A powerful coalition of health groups wants R.J. Reynolds Tobacco Co.'s Old Joe character to walk his last mile.

Citing three studies from the *Journal of the American Medical Association* contending the cartoonlike ads lead kids to smoke, the Coalition on Smoking or Health last week petitioned the Federal Trade Commission to "take immediate action against RJR's cartoon camel."

The coalition—formed by members of the American Heart Association, American Cancer Society and American Lung Association—called the Camel ads "the most egregious example in recent history of tobacco advertising targeted at children."

RJR has featured the "Smooth character" of Smokin' Joe—or Old Joe, as the character is also known—in its U.S. advertising since late 1987. The account is now handled by Mezzina/Brown, New York, a new breakaway agency from Young & Rubicam, which previously handled Camel and Old Joe.

The petition is limited to the Camel ads, but the *JAMA* studies called for a total ban on tobacco advertising and promotions as part of an effort to protect children from the dangers of tobacco.

Ad industry groups said the *JAMA* studies might lend credence to the coalition's stance on RJR's Camel advertising but will have little impact on the group's goal of restricting all tobacco advertising.

"Even if the FTC takes a close look at RJR's ads, it's no

(Continued on Page 32)

Magazine floodgate opens

Marketers turn to publishing for more clout

By Scott Donaton

A growing number of marketers are donning another hat these days—that of magazine publisher.

Companies are creating their own magazines as a way to develop a stronger bond with customers while gaining greater control over shrinking marketing budgets and over the editorial environment in which their ads appear.

While some of the corporate publications carry ad messages solely from their parent companies, many solicit outside ads, sometimes from competitors, as a way to gain credibility and offset publishing costs.

Coming in 1992 are magazines from Slim-Fast Foods Co., Pillsbury Co., Wyeth-Aherst Laboratories, Chase Manhattan Bank, IBM Corp. and Hallmark Cards.

They join other titles published by the likes of Federal Express Corp., Benetton, General Motors Corp., Nintendo of America and Philip Morris USA, several of which are undergoing changes.

The flood of corporate magazines hasn't gone unnoticed in the publishing industry, where they're viewed as competitors for ad budgets.

"Potential advertisers are responding very favorably."

"It's a trend, and I think it grows out of the compression of funds, the continuing examination of current advertising procedures and the search by advertisers for something different and unique," said John Mack Carter, director of magazine development for Hearst Magazines.

Valerie Muller, VP-media director at Pedone & Partners, New York, said she's open to buying space for clients in magazines owned by other advertisers as long as the publications have editorial credibility and aren't merely promotional vehicles for their publishers' products.

Slim-Fast Foods, in a joint venture with Welsh Publishing Group, will launch *Slim-Fast Magazine* as a quarterly next year after publishing a test issue last June.

The magazine is aimed at Slim-Fast users and will focus on fitness, health and nutrition. It will be sold on newsstands and to subscribers with an initial rate base of 500,000 and will accept outside ads.

Pillsbury's *Fast & Healthy* is slated to make its debut in April and will be sold through subscriptions and at supermarket checkout counters.

In addition to ads from its own brand groups, Pillsbury is solic-

(Continued on Page 29)

Beer distributors develop taste for new Bud ads

By Ira Teinowitz

Anheuser-Busch may have reaped warm reviews for its new non-sexist Budweiser ad policy, but the brewer is just now overcoming the chill distributors gave the first spots.

A-B officials last week acknowledged the new "Nothing beats a Bud" executions, aimed at overcoming a sales slide by the nation's No. 1 beer, were received with near silence by distributors at an October convention.

Their unhappiness with the advertising also fueled rumors A-B was disturbed enough to review the status of longtime Bud agency D'Arcy Masius Benton & Bowles, St. Louis.

But Budweiser Brand Manager August Busch IV said distributors have finally warmed to the new approach and said no review of the $75 million-plus account is planned.

"I am very much in love with the advertising," he said. "I couldn't believe the timing. It couldn't be more appropriate."

"It received a cool reception [at the October convention]. I don't think it struck the chord," said one East Coast distributor attendee, who asked to remain unidentified. "Some of the ads didn't mention Budweiser before half the spot was over. There didn't seem to be any bang to it."

A Midwestern wholesaler who also asked to remain unidentified said distributors were more concerned with the creative's neglect of the traditional working-class Budweiser drinker than A-B's plan not to portray women as sex objects.

"They were going after the contemporary drinkers, and we thought they needed more blue-collar," the wholesaler said.

Distributors are concerned because A-B flagship Budweiser, which makes up much of their volume, has experienced sales problems. Last year, Budweiser posted its first volume decline in more than a decade, down 0.8% to 48.1 million barrels shipped, according to *Impact*, an industry magazine. Still, Budweiser accounted for 24.9% of the nation's beer volume.

Jerry Steinman, publisher of *Beer Marketer's Insights*, said last week he expects Budweiser's volume to drop 1% to 1.5% this year, the result of several factors including a higher alcohol tax and the growth of Budweiser's siblings, Bud Light and Bud Dry.

That kind of dropoff isn't as great as the industry's projected 2% decline, so the brand may actually show an increased share. But the performance still doesn't thrill distributors.

Last week, 15 distributors met with A-B officials as part of a regular program to discuss concerns. Instead of criticizing the ads, the panel expressed chagrin about the earlier lack of support. □

Breaking the rules

Fox's Doritos show just another example

By Joe Mandese

Fox Broadcasting Co. isn't through breaking the rules of network TV.

The fledgling network said last week it will counterprogram during CBS-TV's Super Bowl halftime show, and that's winning kudos from agency executives, who say the Big 3 networks are feeling pressure to follow Fox's innovative lead.

"Fox is breaking the rules, and that's making it easier for advertisers to approach the three major networks with new and innovative ideas," said Steve Farella, exec VP-media director at Young & Rubicam, New York, an early Fox supporter. "Fox is breaking another rule—that you don't counterprogram the Super Bowl—and we applaud it."

Fox will run a special live "In Living Color" program called "Doritos Zaptime/The In Living Color Super Halftime Party."

The special, sponsored by Frito-Lay's Doritos brand, will feature a $1 million grand prize giveaway announcement. Frito-Lay will use the event to launch new Bite Size Doritos.

Fox President Jamie Kellner said the network has several similar projects on the drawing board, but they require support from advertisers willing to share the risks.

"Frito-Lay is putting a lot of money into this, and I think it's exciting that advertisers are willing to take risks with their advertising money. I'm hopeful that it is a big success and that they look back on it and find it one of the best investments they ever made," Mr. Kellner said. "It's fun when you find advertisers as willing to take risks as we are."

A "Doritos Zaptime" game piece.

Frito-Lay hasn't said what it's paying to sponsor the special, but the company estimated it would have paid about $2 million on a campaign during CBS' coverage of the Super Bowl.

"Counterprogramming may have its risks, but big wins demand taking big chances," said Frito-Lay VP-Marketing Steve Liguori.

Agency media executives say Fox's innovative programming and promotion, marketing and sales strategies are forcing the Big 3 to make changes faster than they would have.

For example, Mr. Farella said Fox's recent decision to accept condom commercials that focus on disease prevention was a major force in the Big 3 networks' re-evaluation of their policies.

At its recent affiliate board meeting, NBC said it would step up public service ads and public affairs programming about the use of condoms for disease prevention and continue to review its policy on accepting paid condom commercials.

CBS said it's reviewing its policy, while ABC's affiliate board met last week and was expected to discuss the topic.

"When one network, even if it is Fox, makes a decision to accept it, it puts pressure on the other guys to accept it," said Alec Gerster, exec VP-media and programming services at Grey Advertising.

Mr. Farella said Fox's programming strategies have pressured the Big 3 to pursue new methods.

Earlier this year, Fox adopted a strategy of rolling out series year-round rather than using fall launches, as the Big 3 have. Fox is also experimenting with "interstitial" programming between regular programming, intended to provide a theme to the evening lineup.

The cast of "Beverly Hills 90210" hosted Fox's Halloween programming; "Married . . . With Children" star Ed O'Neill has also hosted theme nights.

Mr. Kellner said the network plans to keep viewers and advertisers guessing.

"We have a younger audience than the other networks do, and we find that they like to be surprised and excited," he said. "And that's what we're trying to do: find ways to make it more exciting, different and surprise people once in a while.

"And that's exactly what our halftime show does. The Super Bowl game is exciting, but the halftime is basically boring." □

DDB Needham wins in Henkel ad shuffle

By Dagmar Mussey

DUESSELDORF—Henkel rewarded DDB Needham Worldwide for persistence and loyalty last week with about $52 million in new business.

The detergent and toiletries marketer, after becoming disillusioned with Eurocom, also rewarded BBDO Worldwide and Lowe Group Europe, dividing another $42 million in detergent, cleanser and toiletries accounts between those two shops.

Last month, Henkel fired Eurocom, its largest agency, because the newly created Euro RSCG couldn't decide whether to keep Henkel or Procter & Gamble Co., an RSCG client, following the October merger.

Klaus Morwind, director of Henkel's international detergent and cleanser business, cited several reasons for giving DDB Needham the major portion without a pitch.

He said Clorox Co., in which Henkel has a minority stake, uses DDB Needham's Chicago office as one of its U.S. agencies.

"DDB Needham was one of the very few international agency networks that was still [conflict-] free to accept Henkel as a client."

BBDO, a sister agency of DDB Needham within Omnicom Group, is already a major Henkel agency, and Henkel wanted to expand its relationship with Omnicom agencies, Mr. Morwind said. Lowe also is a major Henkel shop.

DDB Needham picks up Dixan and Atlas detergent brands, billing an estimated $45 million, after trying for years to break into Henkel's detergent roster. It also picked up $7 million in toiletries from Poly Soft and Poly Swing hair styling products, Le Chat soap and Shim.

The company didn't break down the new-business split between BBDO and Lowe. The accounts represent $35 million in detergent and cleanser spending and $7 million in unspecified toiletries.

In addition, Publicis FCB-owned Baums, Mang & Zimmermann won the $6.5 million Pril dishwashing detergent account and $7 million for Theramed toothpaste and City Men toiletries. Paris-based FCA picked up the Minidou fabric softener business.

Agency sources say the redistribution of Eurocom business makes DDB Needham Henkel's largest agency, with about $80 million to $90 million in billings. BBDO handles about $65 million and Lowe about $60 million, agency sources say. □

Bruce Crumley in Paris and Pat Sloan in New York contributed to this story.

Poll: Ads strain credibility

By Joe Mandese

Unbelievable!

That's how most consumers react to ad messages on TV and in magazines. But far fewer express doubts about specific ads.

In a third-quarter telephone survey by Video Storyboard Tests, seven out of 10 respondents said they believe few, if any, of the ads they see on TV or in print.

The findings are in stark contrast to the primary goal of most advertisers: to make credible claims that will encourage consumers to buy their products.

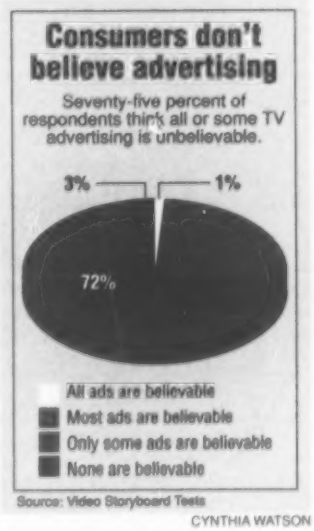
"The trend toward unbelievable ads is growing," said Dave Vadhera, president of Video Storyboard Tests.

He said more marketers are using outrageous—though not necessarily false or misleading—ad themes to break through clutter.

In the unaided, random-sample survey, based on calls to 600 households, 75% of the respondents said they found either all or some TV ads unbelievable, while 70% were equally incredulous about print ads.

But when asked to watch specific commercials, only 10% of respondents identified any that lacked credibility.

The discrepancy between these two findings suggests consumers' general consensus that ads are unbelievable may disappear when they view specific TV commercials or print campaigns, Mr. Vadhera said.



Source: Video Storyboard Tests

CYNTHIA WATSON

Consumers also may retain more of the advertising they find hard to believe, he said.

Even conservative categories such as package goods are experimenting with the technique, said Mr. Vadhera, citing Procter & Gamble Co. as an example.

In a recent campaign for All-Temperature Cheer detergent from Leo Burnett USA, Chicago, P&G miraculously depicts a badly soiled handkerchief being cleansed by a mere tumble in a cocktail shaker containing cold water and Cheer.

Other recent examples of "unbelievable" ad campaigns include one for Dr Pepper Co. from Young & Rubicam, New York, showing a man walking on ceilings; a series of spots from Chiat/Day/Mojo, in which Eveready Battery Co.'s Energizer bunny "interrupts" parody commercials; and a campaign whose very premise was based on unbelievability: American Isuzu Motors' lying Joe Isuzu, created by Della Femina, McNamee, New York and Los Angeles, which no longer has the account.

As a result, many package-goods marketers are turning to the technique, which has virtually replaced the traditional package-goods approach of using irritating messages, such as Charmin toilet tissue's Mr. Whipple, or Wisk detergent's "ring around the collar," he said.

One of the only irritating campaigns to show up in recent years on Video Storyboard's quarterly polls of ad campaign popularity was Burger King Corp.'s 1986 "Herb the Nerd" campaign, from J. Walter Thompson USA, New York, Mr. Vadhera said. Another was Energizer's 1987 campaign from DDB Needham Worldwide, Chicago, featuring annoying Australian football star Jacko.

But "if you make too outrageous a claim, nobody will take you seriously," he said.

The survey had a margin of error of plus or minus 4%. □

WORDS

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FORUM

PR isn't marketing

Using its tools as sales aid masks danger

By William N. Curry

The recent rise of marketing public relations has created visions of sugar plums dancing in the heads of marketers, brand managers and others seeking market share that is increasingly costly to achieve through paid media. The popularity of Thomas L. Harris' "The Marketer's Guide to Public Relations" reflects the search by marketers to exploit new promotional strategies.

But marketers and their advertising colleagues should bear in mind that marketing public relations is little more than the systematic application of a traditional subset of public relations tools and functions such as promotion and publicity. The danger for today's organization is that marketing public relations obscures what the management function of public relations is all about.

This distinction and the need to maintain a broader public relations perspective are critical. For when marketing thinking overtakes public relations thinking, the organization leaves itself vulnerable to marketplace challenges that are often far greater than any competitor can mount. Lotus' Marketplace: Households, Perrier's purity, Volvo's integrity, and G. Heilman's PowerMaster malt liquor all faced serious (or fatal) marketplace threats brought on not by competitors, but by public reaction to the organizations' own policies, practices, products and promotions.

And marketers, even such organizations as Kraft and Procter & Gamble, demonstrate repeated (and avoidable) failure in dealing with such challenges. In too many cases, whatever the competence of the public relations professionals who manage the corporate response, *marketing thinking* (or worse, lawyer thinking) crowds out *public relations thinking*.

Crucial challenges to businesses and products, like those cited here, increasingly come from outside the transactional exchange of values—the province of marketers. They come from key, non-customer groups and forces in the social and political environment—the domain of the management function of public relations.

Broader than such notions as brand management, public relations thinking seeks to protect the organization's overall business franchise, its decision-making autonomy, its reputation, as well as the organization's investment in employees, channnels, customers and products. How? By aligning the organization's interests with the public interest so that both are served.

Tylenol prospered because Johnson & Johnson's credo aligns it with "doctors, nurses and patients, mothers and all others"; Gerber failed to align itself with mothers and thus suffered when reports circulated of glass in its baby food. Volvo's apologetic response to its misleading "Bear Foot" commercial achieved alignment; Procter & Gamble was at variance with the public interest in defending its claims of "fresh" Citrus Hill orange juice.

A recent issue of *Public Relations Journal* explored the increased use of marketing public relations by drug firms. A quoted survey conducted by Wang Associates found increased use of marketing public relations to promote pharmaceutical products and projected still more use in the future.

Survey respondents cited "marketing support" as the most common reason for using outside public relations firms and "marketing savvy" as a key factor in selecting which firm. But the survey also noted that most of the executives polled anticipate some form of regulation of the industry's marketing public relations in the future.

This is precisely the kind of peril that can result when marketing thinking overwhelms public relations thinking. Public relations thinking would seek to alter drug company practices to better align the industry with the public interest—thus *precluding* regulation and optimizing business autonomy. Indeed, two issues later, *Public Relations Journal* reported on a new crackdown by the FDA on video news releases issued by the pharmaceutical industry.

So what should an organization do? *Empower the management function of public relations—its competence, role and organizational reporting—to lead you to alignment.* Public relations is purposive action and communication by an organization to align its interest with the interests of key groups on whom it depends, *to the benefit of both.* It incorporates sensitive responsiveness, not just defensive reaction. It listens, and then it shapes change in organizational policies and practices to achieve alignment.

It is not just product promotion, press agentry, free media coverage, "getting our story out" or blindly defending brands and products under attack. It is about advancing *your* interests while meeting the *public* interest. Public relations, properly empowered and practiced, overarches marketing promotion and should not be subsumed by it. □

Mr. Curry is manager of corporate communications for Virginia Power in Richmond, Va.

LETTERS

'Ad Age' aided Ad Council

There was one omission from your brilliant special advertising section, "The Advertising Council: 50 Years of Public Service" (AA, Nov. 11). Understanding that modesty forbade you mentioning it, may I now say that *Advertising Age*, from the days of [founder] G.D. Crain Jr. on, helped nourish, challenge and invigorate the Ad Council's work at every turn?

Ad Age was the schoolmaster at our elbow—questioning, chiding, inspiring—and always giving currency and importance to our work.

During the late '60s and the '70s, when our country was threatening to tear itself apart, the Ad Council, as writer Warren Berger aptly observed in his narrative, was in the thick of it, trying to do what we could to communicate positive solutions to the overwhelming problems facing our nation. Caught up in all kinds of crossfire, the council became a hot news item. First thing each Monday morning, I'd grab *Ad Age* to see what that morning's issue had to say about us. It was our report card. Pass or flunk? You were always there to tell us.

In this and so many other ways, *Ad Age* has been one of the Ad Council's greatest benefactors. And you still are—viz., your superb 50th Anniversary section. "Good, the more communicated, more abundant grows."

The most poignant comment in the section was Sid Bernstein's, when he said that the November 1941 meeting of the Association of National Advertisers and the American Association of Advertising Agencies, at which the Ad Council was created, was the most important business meeting he ever attended.

Thanks, Mr. Chips—and all the rest of the faculty!

Robert Keim
Madison, Conn.

Editor's note: Mr. Keim was president of the Advertising Council from 1966 to 1988.

When we started looking seriously into the history of the Advertising Council, some of our people visited the *Ad Age* library in New York and collected a 3-inch-thick file of articles mentioning the council over 50 years.

Even before reading that wonderful supplement on the Ad Council anniversary, we knew it would put into perspective the contributions of advertising to the public interest. After all, you've been doing this for years.

A year into World War II, G.D. Crain wrote about how the War Advertising Council had created a sympathetic understanding of advertising in government. As he pointed out in the supplement, Sid Bernstein covered the historic meeting which gave birth to the idea of the Ad Council. As Washington reporter for *Ad Age*, John Crichton, chronicled the early days; the influence of his articles gave the council impetus to take hold at the start.

Advertising Age recognizes the unique and abiding role for advertising in furthering knowledge and the public interest. That attitude has been demonstrated clearly through 50 years of *Ad Age* involvement—as narrator, friend and occasional critic of the Ad Council. This involvement by the leading trade paper has helped give public service a higher profile and priority in our industry than it has in any other. For all this and more, thanks.

Ruth Wooden
President, The Advertising Council
New York

Artzt doesn't get it

I am both disappointed and amused by Edwin Artzt's Orwellian comparison of advertising to exercise and promotion to recreation (AA, Oct. 28). He must do his workouts at Burger King and if promotion marketing is his idea of a wild time, then he needs to get out a little more often.

The philosophical battle between the virtues of advertising versus promotion should have ended years ago, and hardly warrants a banner headline in *Advertising Age*. It is not true that promotion denigrates brand imagery, just as it is not true that advertising can't build sales. It is not a matter of promotion. It is not a matter of advertising. It is all about marketing.

David Ogilvy understands this. If Mr. Artzt did, maybe Procter & Gamble's third-quarter net earnings wouldn't have dropped.

John Henderson
President, Promotional Innovations
Stamford, Conn.

Address letters to Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

Lamar Alexander
NEW REPUBLIC
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CORRECTIONS & CLARIFICATIONS

- Nike said it didn't advertise on NBC-TV's recent sports special "Jock Spots" (AA, Nov. 25, P. 1).
- John Cameron Swayze, the voice in the Timex ads, is retired, not dead (AA, Nov. 11, P. 12).
- A chart showing projected multimedia personal computing revenues (AA, Nov. 11, P. S-11) included incorrect estimated revenues from system upgrades. The correct projections are: 1992, $470 million; 1993, $770 million; 1994, $1.01 billion; and 1995, $1.16 billion.
- SuperShow, the sporting goods industry trade show, is sponsored by the Sporting Goods Manufacturers Association, not the National Sporting Goods Association (AA, Nov. 4, P. 2). □

AD REVIEW

O&M ads bring back our old friend Sears

Garfield

By Bob Garfield

In a world where everything's turned upside down, whom do you trust?

The CIA, upon further consideration, is saying please excuse previous message, what's dangerous is *abolishing* the Soviet Union. The late mythic capitalistic hero Robert Maxwell has posthumously been transfigured into a fat, $1.2 billion bad Czech. And, in defense of the public's right to know, CNN aired a rape trial in fine gynecological detail while reducing the rest of world events to nine-word blurbs every 20 minutes.

Black is white. Up is down. Yes is no. And, if we are to draw any conclusions from what Sears, Roebuck & Co. is now telling us, old is new. For the past two years, in response to critical structural problems in its retailing business, Sears (Where America Used to Shop) has been trumpeting its new self: its famous-name merchandise, its "everyday low prices," its new look.

Forget about that. In two-dozen new spots from Ogilvy & Mather, Chicago, new is out and old is in. Sears (The High Overhead Store) is suddenly positioned as a faithful old friend. Trust your old pal, Sears says, "You can count on me."

"We've grown up together," jingles the handsome SweetCam anthem, filled with images of Americans being wholesome. "I've relied on you and you on me. Though both of us keep changin', growin' every day, there's one thing you can count on: Look around you everywhere, you know I'll always be there. You can count on me. You can count on me. Wherever you go, you know where I'll be. . . ."

Rating: ★ ★ ★

Homespun Americans and images of palpable trustworthiness are the means by which Sears communicates its unique brand of value.

Lots of desperate people, of course, say "You can count on me" just prior to skipping town with your wife and bankbook. But this seems different. Like that wonderful KitchenAid spot—which transforms a sappy easy-listening standard, "Through the Years," into an emotional, beatific reverie and actually generates nostalgia for a dishwasher—this 60-second paean positions Sears (Home of the Service Agreement Pressure Sell) as inextricably linked with your memories, your values, your belongings, the very fabric of your life.

A new strategy? Hardly. As recently as six years ago we were told, "There's more for your life at Sears." And there was, but it was that dreary and unpleasant part of your life you'd have just as soon forgotten—the brown, tweed sofa and plastic three-piece suit part. Whipsawed by stylish department stores on one end and mart discounters on the other, Sears was your first stop for dull, expensive goods. But a lot has changed.

While its real estate and personnel entanglements doom it never to be price-competitive with Wal-Mart, the Sears we knew ("No, you'll have to ring that up over there") has undergone a radical merchandise and merchandising makeover, vastly improving the shopping experience. When those changes materialized a couple of years ago, Sears had no choice but to scream "contemporary" and "price," which a disconcertingly offbeat Ogilvy campaign did. Now that the changes have taken root, the company can once again concentrate on value and image—with the understanding that Sears' retailing future depends on how successfully it sells image as part and parcel of its value.

Leavened with tactical spots introducing such innovative, Sears-exclusive benefits as KidVantage (which unconditionally guarantees children's clothes to be outgrown before they're worn out), this campaign offers the imagery and the texture to begin the process, to stop being an "it" and start being a "me," to transcend even Sears' status as an institution and to imbue the chain with an almost spiritual connection to the American family.

Anything less and Sears dissolves like the Soviet Union. In other words, a power vacuum that no service contract covers. In other words, another alarming threat to the American way of life. □

'JAMA' burns 'Joe'

(Continued from Page 3)

grounds to ban all tobacco advertising," said Dan Jaffe, VP at the Association of National Advertisers. "That's absolutely illogical and inappropriate."

The three studies, published by *JAMA* last week, were contested by RJR.

The first estimated that the "Smooth character" depicted in Camel advertising boosted RJR's share of "the illegal children's cigarette market" from 0.5% before the campaign to 32.8% today.

The study further estimated that RJR's sales of Camel to kids rose from $6 million before the ad campaign to a current $476 million on the strength of the character.

RJR angrily denied the study's findings, characterizing them as "absurd."

"Camel's performance since the 'Smooth character' campaign began in 1987 simply doesn't support the article's absurd conclusions about youth share of total sales," RJR said in a statement.

Citing figures from industry analyst John C. Maxwell Jr. of Wheat, First Securities, RJR said: "Camel's share of [total] market [at 4.3% in 1990] has been basically flat for five years."

The second *JAMA* study found that kids ages 12 and 13 registered the highest recognition of the Camel campaign and that "Camel's market share among 12-to-17-year-old boys [24.5%] was almost twice that among 18-to-24-year-old men [12.7%]."

RJR disputed that study as well.

"According to [U.S.] Office on Smoking & Health numbers, 3% of 12-to-18-year-olds at least occasionally smoke Camels," RJR said. "Survey data from [the government] indicate that cigarette smoking among teen-agers has essentially been flat for the past few years and that 15.7% of teens age 12 to 18 are at least occasional smokers."

The third study concluded 6-year-olds recognize Joe Camel as representing cigarettes at a rate nearly equal to their recognition of Mickey Mouse as representing the Disney Channel.

"Approximately 30% of 3-year-old children correctly matched Old Joe with a picture of a cigarette compared with 91.3% of 6-year-old children," the study said.

"If you say, 'You are a minor, you are not allowed to smoke,' it will have just the opposite effect."

For its part, RJR has responded that the industry wouldn't intentionally leave itself open for advertising restrictions on cigarettes by targeting underage smokers.

"Contrary to anti-smoking activists' rhetoric, it is not in the tobacco industry's best interest for youth to smoke," the marketer said.

"Whenever a young person smokes, it is the cigarette manufacturers that are blamed—not the parents, peers or lifestyle of the young person. This concerns us greatly because it increases the potential for government restrictions on our ability to communicate with adult smokers," the company said.

Last October, RJR began running an outdoor and print campaign in both English and Spanish urging young people not to smoke.

The ads will move into 30 markets next year. They've been running in New Orleans; Colorado Springs, Colo.; Detroit; San Diego; Tampa, Fla.; and RJR's hometown, Winston-Salem, N.C.

The company has been aiming for placement of the non-smoking ads on outdoor boards within 500 feet of schools, said Peggy Carter, RJR manager-media relations.

Created by Lockhart & Pettus, New York, one ad shows kids smoking in a public restroom with the theme, "And you think this looks cool?" A second is themed "Don't create a smoke-screen between you and your friends."

Also included is a program for parents, in which parents who smoke can get a booklet telling them how to convince their kids not to. That program is supported by print ads running in Sunday magazines and an out-of-home campaign.

Ms. Carter said the company's goal with the campaign is to tell kids "Don't smoke. You're not ready. Adults can weigh the controversy [over smoking], but we wanted to reinforce the message to kids."

But John Pierce, associate professor at the University of California, San Diego, and author of one of the *JAMA* studies, said: "If you say, 'You are a minor, you are not allowed to smoke,' it will have just the opposite effect." □

Steven W. Colford contributed to this story.

Media

(Continued from Page 3)

ing & Research, predicted a zero to 2% real growth in media spending in 1992, or 4% to 6% after factoring in inflation.

Factoring in a 1992 inflation rate of 4%, Mr. Myers said ad spending for newspapers, broadcast syndication, consumer magazines and out-of-home media would actually decline in 1992 in terms of real growth.

David Poltrack, senior VP-planning and research for CBS, predicted ad spending on the Big 3 networks would rise 5% to $8.9 billion in 1992, attributing about 2 percentage points of that growth to Olympics spending.

From the agency point of view, Philip H. Geier, chairman of McCann-Erickson's parent, Interpublic Group of Cos., predicted a 5.7% ad spending increase, with most of the gains coming in the second half.

WPP Group Chief Executive Martin Sorrell said one of his agencies had budgeted for a 5.6% increase in client spending for '92. But he said the figure would be "difficult to achieve."

Mr. Sorrell said a 2% to 3% increase in spending was a more realistic outlook.

The most pessimitic forecast came from Saatchi & Saatchi Co.'s Zenith Media Worldwide.

Zenith Chairman-CEO John Perriss said North American ad spending fell 5.9% this year and predicted declines of 2.2% in 1992, 0.8% in 1993 and 0.7% in 1994.

Fred Meyer, chief financial officer of Omnicom Group, said he expected 1992 U.S. ad growth to be aproximately 6% to 7%—"as unlikely as this seems to all of us at this point."

Publishers of magazines and newspapers weren't as optimistic in their forecasts.

Most said they don't expect a dramatic recovery in advertising in 1992 and are instead looking to strengthen their circulation revenues to offset the ad decline.

"We're doing business in an era dramatically different from the one we prospered in during the '80s," said S. Christopher Meigher, president of Time Inc. Magazine Co.'s New York magazine division. "The consensus is while we're hoping for an upswing in advertising spending, it will not be a return to the good old days."

In addition to looking for new ways to satisfy advertisers' needs, he said, publishers have to raise the prices they charge readers and offer them extra value in return.

For example, Time Inc. is studying the use of selective binding and ink-jet printing technology to create customized magazines. Readers would pay higher subscription costs to have additional editorial material on specific topics bound into their magazines.

The same concept is being used on a limited basis by some publishers already, and a growing number are exploring it.

Time Inc. is also testing a "*Sports Illustrated* Super Subscription," for which readers would pay about $8 more than a regular subscription to get such additional materials as a newsletter, calendar and video based on the magazine.

Mr. Meigher said circulation revenues now account for about half of magazines' total revenues, up from about one-third in 1975. He predicted circulation revenues will account for 60% of total revenues by the end of the decade.

Newspaper publishers also said they're asking readers to pay more for their products.

During 1991, there's been a 56% increase in the number of daily newspapers selling for 50¢ and a 28% jump in the number of Sunday papers selling for $1.25, said Bruce Murray, circulation sales manager at *New York Newsday*. The number of daily papers selling for 25¢ fell 13%, he said.

Reader's Digest Association said it hasn't been as hard hit by the recession as most other media companies because ad revenues account for only about 9% of total revenues. The association also said it plans to raise both ad rates and subscription prices for its special-interest magazines and flagship *Reader's Digest* next year. □